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**BILL ANALYSIS**

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Senate Bill 969 (as introduced 1-19-06)  
Sponsor: Senator Shirley Johnson  
Committee: Appropriations

Date Completed: 2-14-06

**CONTENT**

The bill would authorize the State Administrative Board, on behalf of the State, to convey to the board of trustees of Lansing Community College for \$1, the right of reverter and the right of reentry on a parcel of property located on the college's campus in downtown Lansing, Michigan, commonly referred to as the Carnegie Library property.

On April 16, 1963, the State conveyed this property to the Lansing School District with a reverter clause that indicated the property had to be used for educational purposes. On January 21, 1966, the school district conveyed the property to Lansing Community College with the same reverter. While the college has been using the property for educational purposes (primarily as a library), the college has received legislative authorization to construct an addition and make renovations to the property, which would be financed in part through bond proceeds issued by the State Building Authority (SBA). The SBA takes legal ownership of a facility for which it finances capital improvements. (The State then leases the facility from the SBA and those lease payments are used to retire bond debt.) Therefore, the SBA requires a clean title of the property in order to satisfy the interests of the bond holders. This bill essentially would remove the "educational purposes" reverter (as the right of reverter would be conveyed to the college) to satisfy the needs of the SBA.

The conveyance would have to be by quitclaim deed approved by the attorney general.

**FISCAL IMPACT**

Other than the State's receipt of \$1, the bill would no fiscal impact.

Fiscal Analyst: Mike Hansen

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